

## Chief Financial Officer's review



# Delivering consistent profit growth and continued strong cash generation.

Andy MacKinnon  
Chief Financial Officer

Adjusted EBITDA (£m)

**£104.6m**

YoY: 8.1%

FY25: £96.8m

Adjusted EPS (p)

**18.0p**

YoY: 19.5%

FY25: 15.0p

Free Cash Flow (£m)

**£73.5m**

YoY: 11.2%

FY25: £66.1m

# Chief Financial Officer's review continued

## Introduction

Moonpig Group uses proprietary customer data to drive sustainable revenue growth, generating strong profit margins and profit growth. The Group converts this profit into surplus Free Cash Flow and allocates that cash in a disciplined way to compound earnings per share. The Group delivered strong performance in FY26, demonstrating the enduring nature of its business model.

The Group's revenue base is highly recurring. At Moonpig and Greetz, 89.4% of revenue (FY25: 87.4%) was generated from existing customers – those who had made a purchase prior to the start of the financial year. High customer loyalty at our card-first brands underpins consistent revenue growth and contributes to steadily rising customer lifetime value.

Our proprietary customer data remains an important part of our structural moat. Every day, we collect more than twice as much data as the rest of the greeting card market combined, deepening our competitive advantage. Our database of customer occasion reminders increased by 11.2% year-on-year to 113m (30 April 2025: 101m). This means we can engage with customers directly and generate gifting sales with limited marketing costs at moments of high gifting intent.

Our strategy for Moonpig and Greetz is grounded in three clear revenue drivers: expanding our active customer base, increasing order frequency and growing average order value. The relative emphasis placed on each lever varies over time, allowing us to respond to opportunities while maintaining a disciplined focus on long-term value creation.

Our platform is structurally profitable and capital light. We maintain high gross margins, operate with negative working capital and manage capital expenditure within a disciplined return-on-investment framework. Combined with low inventory risk and operational leverage across fulfilment and technology, these characteristics enable the Group to consistently generate strong Free Cash Flow. This Free Cash Flow exceeds the reinvestment requirements of the business and provides flexibility to invest in organic growth, maintain leverage within our target range and return capital to shareholders.

During FY26, the Group returned £10.3m to shareholders through dividends and completed £60.2m of share repurchases. Reflecting our continued strong Free Cash Flow generation and confidence in the Group's outlook, the Board announced its intention to undertake further share buyback programmes of up to £65m in FY27.

## Financial performance – Group

	Year ended 30 April 2026	Year ended 30 April 2025	Year-on-year growth
Revenue (£m)	373.0	350.1	6.5%
Gross profit (£m)	218.0	208.6	4.5%
Gross margin (%)	58.4%	59.6%	(1.2)%pts
Adjusted EBITDA (£m) <sup>1</sup>	104.6	96.8	8.1%
Adjusted EBITDA margin (%) <sup>1</sup>	28.0%	27.6%	0.4%pts
Reported profit before taxation (£m)	68.9	3.0	N/a
Adjusted profit before taxation (£m) <sup>1</sup>	76.5	67.5	13.4%
Reported earnings per share - basic (pence)	16.2	(3.2)	N/a
Adjusted earnings per share - basic (pence) <sup>1</sup>	18.0	15.0	19.5%
Free Cash Flow (FCF) (£m) <sup>1</sup>	73.5	66.1	11.2%
Net leverage <sup>1</sup>	1.03x	0.99x	0.04x

<sup>1</sup> Stated before Adjusting Items of £nil (FY25: £56.7m) in Adjusted EBITDA, £7.6m (FY25: £64.6m) in profit before taxation, £5.7m (FY25: £62.6m) in profit after taxation and £nil (FY25: £nil) in Free Cash Flow. See Note 6 for more information.

Group revenue increased by 6.5% to £373.0m (FY25: £350.1m). Moonpig continued to demonstrate the consistency of its revenue model, delivering growth of 8.6% for the second consecutive year, driven by sustained new customer acquisition and growth in average order value. Greetz returned to modest constant currency revenue growth, driven by improved localisation of the proposition. Experiences revenue decreased year-on-year with performance improving in the second half of the year, reflecting the progress made in building a broader and more relevant product range.

Gross profit increased by 4.5% year-on-year while gross margin reduced by 1.2 percentage points to 58.4%. This reflected strategic investment to enhance our delivery proposition in the UK and the Netherlands, together with the revenue mix effects from Moonpig growth in sales in markets outside the UK. Higher direct labour costs in our operational facilities were offset by savings from insourcing and automation. In FY27, we expect further investment to strengthen our delivery proposition and expand customer delivery choice and continued revenue growth in Ireland and Australia at lower gross margin.

Adjusted EBITDA increased by 8.1% to £104.6m (FY25: £96.8m), with Adjusted EBITDA margin increasing by 0.4 percentage points to 28.0%. Moonpig Adjusted EBITDA margin decreased by 0.7 percentage points, as positive operating leverage partially offset the lower growth in gross profit. Increased Adjusted EBITDA margin rates at Greetz and Experiences were driven by cost reduction initiatives and operational efficiencies. In FY27, we expect Adjusted EBITDA margin rate to ease towards our target range of 25% to 27% as we continue to invest in our delivery proposition and absorb a higher share-based payment expense.

Adjusted basic earnings per share increased by 19.5% to 18.0 pence (FY25: 15.0 pence), materially ahead of the growth in Adjusted profit after taxation of 11.5%. This is further to the 18.1% growth in Adjusted EPS reported for FY25 and reflects the cumulative impact of share repurchases. The Group's share buyback programmes reduced the weighted average number of shares in issue by 6.7% year-on-year as at 30 April 2026.

Free Cash Flow was £73.5m (FY25: £66.1m). This represented an Adjusted EBITDA to Free Cash Flow conversion rate of 70% (FY25: 68%), reflecting the capital-light nature of the Group's operating model. Net leverage remained consistent with our target of approximately 1.0x, with net debt (including lease liabilities) equivalent to 1.03x Adjusted EBITDA at 30 April 2026 (30 April 2025: 0.99x).

Our capital allocation framework remains unchanged. We continue to prioritise investment in organic growth and a progressive dividend policy, while returning surplus capital to shareholders. The Board has proposed a 25% increase in the total dividend for FY26 to 3.75 pence per share. The Group completed £60.2m of share repurchases during FY26. Our organic growth priorities are fully funded, significant M&A is not currently under consideration and the business continues to generate substantial surplus Free Cash Flow. Accordingly, the Group intends to undertake further share buybacks of up to £65m in FY27.

## Revenue

	Year ended 30 April 2026	Year ended 30 April 2025	Year-on-year growth
Active customers (m)	12.3	12.0	2.8%
Orders per active customer (number)	2.92	2.94	(0.7)%
<b>Moonpig and Greetz orders (m)</b>	<b>36.0</b>	35.3	2.1%
Moonpig and Greetz AOV (£ per order)	9.32	8.82	5.7%
<b>Moonpig and Greetz revenue (£m)</b>	<b>335.5</b>	310.9	7.9%
Moonpig revenue (£m)	284.5	262.0	8.6%
Greetz revenue (£m)	51.0	48.9	4.5%
<b>Moonpig and Greetz revenue (£m)</b>	<b>335.5</b>	310.9	7.9%
Experiences revenue (£m)	37.4	39.2	(4.5)%
<b>Group revenue (£m)</b>	<b>373.0</b>	350.1	6.5%
Greetz revenue - local currency (€m)	59.0	58.1	1.5%

Revenue at Moonpig and Greetz increased by 7.9%, driven by growth in both orders and average order value (AOV):

- Active customers, all customers who have made a purchase in the last twelve months, increased to 12.3m (30 April 2025: 12.0m), with the strength of our marketing platform delivering growth at both Moonpig and Greetz.
- Orders per active customer decreased to 2.92 (FY25: 2.94). The reduction was specific to Greetz and reflects increased use of "free card" commercial partnerships with nationally recognised Dutch consumer brands, including ING, La Place and Pathé, as a customer acquisition channel. These partnerships are an effective source of new customers, although they have a short-term dilutive effect on average order frequency whilst engagement is built with newly acquired customers. Frequency at Moonpig remained unchanged year-on-year, even as adoption of higher-priced tracked next day delivery increased to 41% of card-only orders (FY25: 17%). This service offers greater delivery certainty and is consistent with our strategy of offering more delivery choice to our customers. During FY27, we plan to continue investing in our delivery proposition as we seek to further develop our delivery strategy, increasing customer choice and flexibility while supporting engagement and frequency over the longer term.
- Average order value increased by 5.7% year-on-year. This reflects customers trading-up to higher-priced gifts (including growth in categories where we have added trusted brands such as homeware), greater upsell into our large and giant card size formats, modest growth in gift attach rate and increased postage income from uptake of tracked next-day delivery and stamp price changes.

Moonpig delivered revenue growth of 8.6% for the second consecutive year, with growth reflecting strong new customer acquisition, trading-up to higher-priced gifts and larger card size formats and growth in next-day tracked delivery. Growth in the second half was 7.9% year-on-year, compared with 9.4% in the first half of the year with the moderation reflecting lower order growth.

Greetz returned to modest growth, with revenue increasing by 1.5% on a constant currency basis and 4.5% on a reported sterling basis. Improved localisation of the product range and the expansion of partnership marketing contributed to gradual strengthening in constant currency revenue growth from 1.3% in the first half to 1.7% in the second half of the year. We also invested in the foundations that we expect to support future order growth including reminders and Greetz Plus.

Experiences revenue decreased by 4.5% year-on-year, with revenue reducing by 8.9% in the first half and by 1.9% in the second half. This reflects the progress made in building a broader and more relevant product range. Gross transaction value trends improved during the year, supported by a strengthened range, category coverage and supplier base. Revenue growth continues to be moderated by lower commission rates as we evolve the proposition.

## Chief Financial Officer's review continued

Our focus at Experiences has broadened beyond the commercial proposition to the recipient experience. We have made organisational changes to bring the Experiences business closer to the rest of Moonpig Group and expect this alignment will deepen over time. With this in mind, we are focused on ensuring the product quality and the end-to-end recipient journey consistently meet the standards expected across the Group. As a result, we expect the trading pattern of H2 FY26 to continue in the near term, with growth in gross transaction value being offset by lower commission rates as we prioritise improving proposition quality and recipient outcomes.

### Gifting mix of revenue

	Year ended 30 April 2026	Year ended 30 April 2025	Year-on-year growth
Moonpig and Greetz cards revenue (£m)	203.5	186.0	9.4%
Moonpig and Greetz attached gifting revenue (£m)	123.8	116.3	6.5%
Moonpig and Greetz standalone gifting revenue (£m)	8.2	8.6	(4.8)%
<b>Moonpig and Greetz revenue (£m)</b>	<b>335.5</b>	310.9	7.9%
Experiences gifting revenue (£m)	37.4	39.2	(4.5)%
<b>Group revenue (£m)</b>	<b>373.0</b>	350.1	6.5%
Moonpig / Greetz gift attach rate (%)	17.9%	17.7%	0.2%pts
Moonpig / Greetz total gifting revenue (£m)	132.0	124.9	5.7%
Moonpig / Greetz gifting revenue mix (%)	39.4%	40.2%	(0.8)%pts
Group gifting mix of revenue (%)	45.4%	46.9%	(1.5)%pts

Cards revenue increased by 9.4% year-on-year. Key growth drivers included order growth, customer upsell into larger card formats, rising uptake of tracked next-day delivery and stamp price increases. There were no significant changes in card prices, with the UK standard card price of £3.99 unchanged throughout both FY25 and FY26.

Attached gifting revenue at Moonpig and Greetz increased by 6.5% year-on-year. Growth was supported by higher order volumes and customers trading-up to higher-priced gifting products. Gift attach rate increased by 0.2 percentage points to 17.9%, supported by the addition of new gifting partners to our portfolio of trusted brands.

Looking ahead, we remain confident in the long-term opportunity to increase attach rate. Our focus is on improving gift discoverability across our websites and apps and enhancing personalisation capabilities. We are working to shift from recommendations based on the behaviour of customers viewing similar card designs towards more personalisation tailored to individual customer preferences and purchase history.

Standalone gifting, which has not been a strategic priority and represents a small proportion of total revenue, decreased year-on-year.

### Gross margin rate

	Year ended 30 April 2026	Year ended 30 April 2025	Year-on-year growth
Moonpig gross margin (%)	55.9%	57.0%	(1.1)%pts
Greetz gross margin (%)	46.7%	46.1%	0.6%pts
<b>Moonpig and Greetz gross margin (%)</b>	<b>54.5%</b>	55.3%	(0.8)%pts
Experiences gross margin (%)	93.8%	93.9%	(0.1)%pts
<b>Group gross margin (%)</b>	<b>58.4%</b>	59.6%	(1.2)%pts

Gross margin rate decreased by 1.2 percentage points to 58.4%, driven by a lower gross margin rate at Moonpig as we invested to strengthen our delivery proposition.

Moonpig gross margin rate reduced by 1.1 percentage points year-on-year driven by:

- Strategic investments to enhance our delivery proposition, including tracked next-day card delivery.
- Revenue mix effects from growth in New Markets, where gross margin rates are lower due to outsourced fulfilment.
- Direct costs increased due to higher UK employer NIC costs and the cost of maintaining wage differentials above rising minimum wages in the UK and the Netherlands operational teams.
- Margin benefit from operational efficiencies, including the insourcing of giant cards and automation of gift parcel sortation, which enabled advance orders to be routed through a lower-cost delivery proposition.

At Greetz, gross margin rate increased by 0.6 percentage points year-on-year. In the second half of the year, the transition of flowers supply to the Group's long-term strategic category partner delivered a modest gross margin rate benefit, alongside improvements in range and customer experience.

Looking forward to FY27, we expect gross margin rate at both Moonpig and Greetz to reflect continued investment to strengthen our delivery proposition and increase customer delivery choice. At Moonpig, we also expect some mix impact from continued revenue growth in Ireland and Australia.

At Experiences, gross margin rate was broadly unchanged year-on-year. This relatively high margin reflects the agency revenue model, under which revenue is recognised as commission from partners, while cost of goods is largely limited to the packaging and distribution of physical gift boxes.

### Adjusted EBITDA margin

	Year ended 30 April 2026	Year ended 30 April 2025	Year-on-year growth
Moonpig Adjusted EBITDA margin %	30.5%	31.2%	(0.7)%pts
Greetz Adjusted EBITDA margin %	17.6%	13.2%	4.4%pts
<b>Moonpig and Greetz Adjusted EBITDA margin %</b>	<b>28.5%</b>	28.4%	0.1%pts
Experiences Adjusted EBITDA margin %	23.9%	21.6%	2.3%pts
<b>Group Adjusted EBITDA margin %</b>	<b>28.0%</b>	27.6%	0.4%pts

Adjusted EBITDA margin rate increased to 28.0% (FY25: 27.6%), remaining ahead of our target range of approximately 25% to 27%. Moonpig segment margin decreased by 0.7 percentage points, as positive operating leverage partially offset the lower growth in gross profit. Increased Adjusted EBITDA margin rates at Greetz and Experiences were driven by cost reduction initiatives and operational efficiencies.

In FY27, we expect Adjusted EBITDA margin rate to ease towards our target range as we continue to invest in our delivery proposition and absorb a higher share-based payment expense linked to CEO transition.

### Share-based payment expenses

Adjusted EBITDA is stated after deduction of share-based payment expenses. We do not treat share-based payment expenses as Adjusting Items because they are recurring costs associated with the delivery of financial performance.

	Year ended 30 April 2026	Year ended 30 April 2025
Share-based payment expenses (inclusive of NI) (£m)	(3.5)	(3.5)

FY26 was the first year since the IPO in which all three outstanding LTIP award tranches were expected to deliver meaningful vesting. This would ordinarily have resulted in a step-up in accrued share-based payment expenses. The flat year-on-year charge in FY26 reflects approximately £2.8m of lower costs arising from the resignation of the former CEO. This comprises £1.7m of expense that would otherwise have been recognised in FY26 and the release of £1.1m accrued over the two preceding financial years.

In FY27, we expect share-based payment expenses relating to CEO remuneration to return to more typical levels, reflecting the incoming CEO buyout arrangements, and therefore expect the overall charge to increase. Share-based payment expenses remain inherently sensitive to assumptions and may vary, including based on the outcome of non-market performance conditions.

## Chief Financial Officer's review continued

### Depreciation, amortisation, finance costs and taxation

	Year ended 30 April 2026	Year ended 30 April 2025	Year-on-year growth
<b>Adjusted EBITDA (£m)</b>	<b>104.6</b>	96.8	8.1%
Depreciation and amortisation (£m)	(17.4)	(18.9)	(8.0)%
<b>Adjusted EBIT (£m)</b>	<b>87.2</b>	77.8	12.0%
Net finance costs (£m)	(10.6)	(10.3)	3.0%
<b>Adjusted profit before taxation (£m)</b>	<b>76.5</b>	67.5	13.4%
Adjusted taxation (£m)	(19.1)	(16.0)	19.5%
<b>Adjusted profit after taxation (£m)</b>	<b>57.4</b>	51.5	11.5%

The Group delivered year-on-year growth of 12.0% in Adjusted EBIT to £87.2m and 11.5% in Adjusted profit after taxation to £57.4m.

Depreciation and amortisation (excluding acquisition-related amortisation) decreased from £18.9m in FY25 to £17.4m in FY26. This reflects capital expenditure across FY24 to FY26 towards the lower end of our target range of 4% to 5% of revenue.

Net finance costs increased to £10.6m (FY25: £10.3m):

- Interest on bank borrowings remained broadly consistent with the prior year at £7.6m (FY25: £7.7m), with lower SONIA reference rates offset by higher average and closing borrowings as net debt increased year-on-year in line with Adjusted EBITDA to maintain net leverage close to our target of 1.0x.
- Amortisation of fees remained at £0.8m in both FY25 and FY26, reflecting the unwind of fees incurred in previous years in relation to securing the revolving credit facility and the Group's interest rate hedges.
- Imputed interest on the Experiences merchant accrual decreased to £1.4m (FY25: £1.8m), reflecting lower balances outstanding. The accrual is treated as a financial liability and discounted to present value in accordance with IFRS 9.
- Interest on lease liabilities decreased from £0.7m in FY25 to £0.5m in FY26, reflecting scheduled lease repayments.
- There was a £0.6m year-on-year movement in net foreign exchange gain/(loss) on financing activities. The monetary foreign exchange impact of Euro-denominated intercompany loan balances resulted in a £0.1m loss (FY25: £0.5m gain), with the corresponding intercompany gain recognised in other comprehensive income in accordance with IAS 21. Net foreign exchange on financing activities also included a £0.1m loss (FY25: £0.1m gain) on the revaluation of the Group's euro-denominated external debt.

The Adjusted taxation charge was £19.1m (FY25: £16.0m). Expressed as a percentage of Adjusted profit before taxation, the Adjusted effective tax rate was 25.0% (FY25: 23.7%). The prior year effective tax rate was below the prevailing rates of corporation tax, reflecting favourable deferred tax movements relating to share-based payment arrangements, driven by changes in the Group's share price.

The reported taxation charge was £17.2m (FY25: £14.0m). The difference from Adjusted taxation relates to deferred tax on acquisition-related intangible assets.

## Alternative Performance Measures

The Group has identified certain Alternative Performance Measures (APMs) that it believes provide additional useful information on the performance of the Group. These APMs are not defined within IFRS and are not intended to substitute or be considered as superior to IFRS measures. Furthermore, these APMs may not necessarily be comparable to similarly titled measures used by other companies.

The Group's Directors and management use these APMs in conjunction with IFRS measures when budgeting, planning and reviewing business performance.

	Year ended 30 April 2026			Year ended 30 April 2025		
	Adjusted Measures <sup>1</sup>	Adjusting Items <sup>1</sup>	IFRS Measures	Adjusted Measures <sup>1</sup>	Adjusting Items <sup>1</sup>	IFRS Measures
<b>EBITDA (£m)</b>	<b>104.6</b>	<b>–</b>	<b>104.6</b>	96.8	(56.7)	40.1
Depreciation and amortisation (£m)	(17.4)	(7.6)	(25.0)	(18.9)	(7.9)	(26.8)
<b>EBIT (£m)</b>	<b>87.2</b>	<b>(7.6)</b>	<b>79.6</b>	77.8	(64.6)	13.3
Finance costs (£m)	(10.6)	–	(10.6)	(10.3)	–	(10.3)
<b>Profit before taxation (£m)</b>	<b>76.5</b>	<b>(7.6)</b>	<b>68.9</b>	67.5	(64.6)	3.0
Taxation (£m)	(19.1)	1.9	(17.2)	(16.0)	2.0	(14.0)
<b>Profit / (loss) after taxation (£m)</b>	<b>57.4</b>	<b>(5.7)</b>	<b>51.7</b>	51.5	(62.6)	(11.1)
<b>Basic earnings per share (pence)</b>	<b>18.0p</b>	<b>(1.8)p</b>	<b>16.2p</b>	15.0p	(18.2)p	(3.2)p
<b>EBITDA margin (%)</b>	<b>28.0%</b>	<b>–</b>	<b>28.0%</b>	27.6%	–	11.5%
<b>EBIT margin (%)</b>	<b>23.4%</b>	<b>–</b>	<b>21.3%</b>	22.2%	–	3.8%
<b>PBT margin (%)</b>	<b>20.5%</b>	<b>–</b>	<b>18.5%</b>	19.3%	–	0.9%

1 See Adjusting Items at Note 6.

2 Figures in this table are individually rounded to the nearest £0.1m. As a result, there may be minor discrepancies in the sub-totals and totals due to rounding differences.

Adjusting Items comprise the following:

	Year ended 30 April 2026	Year ended 30 April 2025	Year-on-year movement
Acquisition amortisation (£m)	(7.6)	(7.9)	0.3
Impairment of goodwill (£m)	–	(56.7)	56.7
<b>Operating profit impact of Adjusting Items (£m)</b>	<b>(7.6)</b>	<b>(64.6)</b>	<b>57.0</b>
Taxation on acquisition amortisation (£m)	1.9	2.0	(0.1)
Taxation on impairment of goodwill (£m)	–	–	–
<b>Taxation on Adjusting Items (£m)</b>	<b>1.9</b>	<b>2.0</b>	<b>(0.1)</b>
<b>Post-tax impact of Adjusting Items (£m)</b>	<b>(5.7)</b>	<b>(62.6)</b>	<b>56.9</b>

Acquisition amortisation of £7.6m (FY25: £7.9m) relates to the amortisation of intangible assets arising on the acquisition of the Greetz and Experiences segments. This is treated as an Adjusting Item as it does not reflect the underlying performance of the Group but is a result of the accounting requirements for a business combination under IFRS 3. Adjusted taxation excludes the credit to reported taxation relating to the unwind of the deferred taxation liability that was recognised alongside the intangible assets arising on business combination.

Impairment of goodwill is classified as an Adjusting Item. The non-cash impairment charge was £nil, with the prior year £56.7m charge relating to Experiences.

## Chief Financial Officer's review continued

### Earnings per share (EPS)

Adjusted basic EPS increased by 19.5% to 18.0p (FY25: 15.0p), reflecting the positive impact from share buybacks.

	Year ended 30 April 2026	Year ended 30 April 2025	Year-on-year growth
Adjusted basic EPS (pence)	18.0	15.0	19.5%
Reported basic EPS (pence)	16.2	(3.2)	N/a
Adjusted diluted EPS (pence)	17.4	14.5	20.0%
Reported diluted EPS (pence)	15.6	(3.2)	N/a
Shares in issue as at 1 May	333,845,736	343,310,015	(2.8)%
Issue of shares during the period	–	1,597,155	(100.0)%
Less: shares cancelled during the period	(27,779,906)	(11,061,434)	151.1%
<b>Shares in issue as at 30 April</b>	<b>306,065,830</b>	333,845,736	(8.3)%
Weighted average number of shares in issue	320,636,314	342,548,159	(6.4)%
Less: weighted average number of shares held by the EBT	(1,127,127)	–	N/a
<b>Weighted average number of shares for calculating basic EPS</b>	<b>319,509,187</b>	342,548,159	(6.7)%
Weighted average number of shares for calculating diluted EPS	330,753,569	356,141,330	(7.1)%

After reflecting the impact of employee share arrangements, Adjusted diluted EPS was 17.4p (FY25: 14.5p); in practice, the Group intends to continue satisfying share scheme vesting through market-purchased shares rather than through dilution, subject to this remaining EPS-accrative at the prevailing share price.

Reported basic EPS for FY26 was 16.2p (FY25: loss per share of 3.2p) reflecting the charge for Adjusting items.

The calculation of basic EPS is based on the weighted average number of ordinary shares. In accordance with IAS 33, shares held by the EBT are included in closing issued share capital but are treated as treasury shares and excluded from the weighted average number of shares in issue for the purposes of calculating EPS from acquisition until transferred to employees.

## Free Cash Flow

The Group is highly cash-generative, with Free Cash Flow (FCF) of £73.5m (FY25: £66.1m). Adjusted operating cash flow, which includes capital expenditure, was £92.3m (FY25: £82.3m), representing an Adjusted operating cash conversion rate of 88% (FY25: 85%).

	Year ended 30 April 2026			Year ended 30 April 2025		
	Adjusted Measures <sup>1</sup> £m	Adjusting Items <sup>1</sup> £m	IFRS Measures £m	Adjusted Measures <sup>1</sup> £m	Adjusting Items <sup>1</sup> £m	IFRS Measures £m
<b>Profit before tax</b>	76.5	(7.6)	68.9	67.5	(64.6)	3.0
Add back: net finance costs	10.6	–	10.6	10.3	–	10.3
Add back: depreciation and amortisation	17.4	7.6	25.0	18.9	7.9	26.8
<b>EBITDA<sup>2</sup></b>	<b>104.6</b>	<b>–</b>	<b>104.6</b>	96.8	(56.7)	40.1
Adjust: impact of share-based payments <sup>3</sup>	4.1	–	4.1	1.8	–	1.8
Add back: decrease / (increase) in inventories	1.0	–	1.0	(1.4)	–	(1.4)
Add back: (increase) / decrease in receivables	(0.6)	–	(0.6)	0.7	–	0.7
Add back: decrease in Experiences merchant accrual	(4.6)	–	(4.6)	(6.8)	–	(6.8)
Add back: increase in trade and other payables	3.7	–	3.7	4.4	–	4.4
Add back: impairment of goodwill	–	–	–	–	56.7	56.7
Less: research and development tax credits	(0.5)	–	(0.5)	(0.2)	–	(0.2)
<b>Cash generated from operations</b>	<b>107.7</b>	<b>–</b>	<b>107.7</b>	95.4	–	95.4
Less: income tax paid	(18.4)	–	(18.4)	(16.2)	–	(16.2)
<b>Net cash generated from operating activities</b>	<b>89.3</b>	<b>–</b>	<b>89.3</b>	79.2	–	79.2
Capital expenditure	(15.9)	–	(15.9)	(13.3)	–	(13.3)
Bank interest received	0.1	–	0.1	0.2	–	0.2
<b>Net cash used in investing activities</b>	<b>(15.8)</b>	<b>–</b>	<b>(15.8)</b>	(13.1)	–	(13.1)
<b>Free Cash Flow (FCF)<sup>2</sup></b>	<b>73.5</b>	<b>–</b>	<b>73.5</b>	66.1	–	66.1
<b>EBITDA to FCF conversion %<sup>2</sup></b>	<b>70%</b>		<b>70%</b>	68%		165%
<b>Cash generated from operations</b>	<b>107.7</b>	<b>–</b>	<b>107.7</b>	95.4	–	95.4
Less: capital expenditure	(15.9)	–	(15.9)	(13.3)	–	(13.3)
Add back: research and development tax credits	0.5	–	0.5	0.2	–	0.2
<b>Operating cash flow<sup>2</sup></b>	<b>92.3</b>	<b>–</b>	<b>92.3</b>	82.3	–	82.3
<b>EBITDA to operating cash conversion %<sup>2</sup></b>	<b>88%</b>		<b>88%</b>	85%		205%

1 See Adjusting Items at Note 6.

2 EBITDA, Free Cash Flow (FCF), FCF conversion, operating cash flow and operating cash conversion are non-IFRS measures. FCF is defined as net cash generated from operating activities less net cash used in investing activities; as a practical expedient and for greater consistency with IAS 7, classification of cash flows FCF is not adjusted to exclude bank interest received. Adjusted operating cash conversion, which is defined as the ratio of operating cash flow to Adjusted EBITDA, informs management and investors about the cash operating cycle of the business and how efficiently operating profit is converted into cash.

3 The adjusted add-back relates to non-cash share-based payment expenses of £4.1m (FY25: £1.8m).

4 Figures in this table are individually rounded to the nearest £0.1m. As a result, there may be minor discrepancies in the sub-totals and totals due to rounding differences.

Cash generated from operations increased to £107.7m (FY25: £95.4m). Key working capital movements were as follows:

- A cash outflow from the Experiences merchant accrual of £4.6m (FY25: £6.8m outflow). The accrual reduced by 7.8% year-on-year to £37.2m (April 2025: £40.4m) reflecting lower Experiences sales and an intentional reduction in sales mix of boxed experience gift collections with two-year validity towards digital and print-on-demand vouchers for individual experiences, which typically have one-year expiry periods.
- An inflow in respect of trade and other payables of £3.7m (FY25: £4.4m inflow). This reflects higher trade creditors driven by purchase timing and growth in Group trading.

Capital expenditure increased to £15.9m for the year (FY25: £13.3m) driven primarily by higher purchases of tangible fixed assets. This reflected investment at our primary UK fulfilment centre in Tamworth in new printing machinery to support the insourcing of giant card production and automation equipment for package sortation to enable multiple fulfilment options for gifts.

## Chief Financial Officer's review continued

Capitalisation of intangible assets increased modestly to £11.8m (FY25: £11.0m). The technology capitalisation rate at Moonpig returned to more typical levels following a number of projects in FY25 that primarily comprised SaaS configuration costs that did not qualify for capitalisation under IFRS. This was partly offset by a planned reduction in capital expenditure at Experiences.

There has been no change in the Group's accounting policies or practices relating to the capitalisation of costs as internally generated intangible assets. We continue to amortise internally generated intangible assets over a relatively short useful life of three years.

### Net debt

Net debt at 30 April 2026 increased to £108.1m (April 2025: £96.0m). Net debt is a non-GAAP measure and is defined as total borrowings, including lease liabilities, less cash and cash equivalents. The ratio of net debt to Adjusted EBITDA at 30 April 2026 is 1.03x (30 April 2025: 0.99x), in line with our target of 1.0x.

	As at 30 April 2026	As at 30 April 2025
Borrowings <sup>1</sup> (£m)	(106.7)	(95.1)
Cash and cash equivalents (£m)	9.1	12.6
<b>Borrowings less cash and cash equivalents (£m)</b>	<b>(97.6)</b>	<b>(82.5)</b>
Lease liabilities (£m)	(10.4)	(13.5)
<b>Net debt (£m)</b>	<b>(108.1)</b>	<b>(96.0)</b>
Adjusted EBITDA (£m)	104.6	96.8
Net debt to Adjusted EBITDA (ratio)	1.03:1	0.99:1
Committed debt facilities (£m)	180.0	180.0

<sup>1</sup> Borrowings are stated net of capitalised loan arrangement fees and hedging instrument fees of £1.2m as at 30 April 2026 (30 April 2025: £1.8m).

The Group's debt facilities consist of a £180.0m committed revolving credit facility with a maturity date of 28 February 2029. Borrowings are subject to interest at a margin over the reference rate of 200bps for net leverage of 1.0x or lower and 225bps for net leverage of 1.5x or lower. Thereafter they step up based on a margin ratchet to 300bps for net leverage above 2.5x. Facility covenants are tested semi-annually and comprise a maximum net debt to Adjusted EBITDA ratio of 3.0x and minimum Adjusted EBITDA interest cover ratio of 3.5x.

The Group hedges its interest rate exposure on a rolling basis. At the reporting date, layered SONIA interest rate cap instruments are in place with strike rates of between 4.0% and 4.5% on total notional of £75.0m until 31 October 2027. Further details are set out at Note 21.

## Capital allocation

Our capital allocation policy remains unchanged. Investment to support organic growth – including continued investment in technology development, customer acquisition and automation in operations – remains the highest priority. This is followed by dividends, then selective, value-accretive M&A, where there is a strong strategic rationale, and finally the repurchase of shares where excess capital is available. Our organic growth priorities are appropriately funded and significant M&A is not currently part of our strategy. As a result, we continue to return excess capital to shareholders.

	Year ended 30 April 2026	Year ended 30 April 2025
	£m	£m
<b>Free Cash Flow<sup>1</sup></b>	<b>73.5</b>	66.1
Interest and fees paid on borrowings, leases and hedging instruments	(8.4)	(8.8)
Net drawdown/(repayment) of borrowings	11.0	(23.3)
Net repayment of lease liabilities	(3.3)	(3.2)
Own shares repurchased for cancellation <sup>2</sup>	(60.5)	(24.3)
Own shares purchased by Employee Benefit Trust	(5.8)	–
Proceeds from employee SAYE share option exercises	0.2	–
Dividends paid	(10.3)	(3.4)
<b>Net cash used in financing activities</b>	<b>(77.0)</b>	(63.0)
Effect of foreign exchange rate changes on cash and cash equivalents	(0.1)	–
<b>(Decrease)/increase in cash and cash equivalents in the year</b>	<b>(3.6)</b>	3.0

1 Free Cash Flow (FCF) is a non-IFRS measure. FCF is defined as net cash generated from operating activities less net cash used in investing activities; it is not adjusted to exclude bank interest received (as a practical expedient and for greater consistency with IAS classification of cash flows).

2 The Group repurchased £60.2m (FY25: £25.0m) of its own shares for cancellation (inclusive of fees and taxes). Of this amount, £60.5m (FY25: £24.3m) was paid during the year to the corporate broker managing the share repurchase programme, with £0.5m (FY25: £0.7m) remaining payable as at 30 April 2026.

During the year, the Board declared an interim dividend of 1.25 pence per share (FY25: 1.0 pence). The Board is recommending a final dividend of 2.5 pence (FY25: 2.0 pence) which, if approved at the 2026 AGM, will be paid on 19 November 2026 to shareholders on the register at the close of business on 23 October 2026. This would result in total dividends for FY26 of 3.75 pence per share (FY25: 3.0 pence), equating to an estimated total dividend distribution of approximately £11.4m and dividend cover of 4.8x based on Adjusted Basic EPS. This is dependent on issued share capital at the next record date. The Company's dividend policy is to maintain robust dividend cover of between 3x and 4x in the medium term, with dividends growing at least in line with Adjusted basic EPS.

During the year, two share buyback programmes were executed on behalf of the Group, repurchasing a total of 27,692,903 (FY25: 11,377,505) ordinary shares for consideration of £60.2m (FY25: £25.0m), including duty and expenses of £0.4m (FY25: £0.2m). The shares repurchased represented approximately 8.0% of opening issued share capital. The average effective purchase price was 217.4 pence per share (FY25: 219.7 pence). Cash outflows in FY26 relating to share repurchases totalled £60.5m (FY25: £24.3m), with the difference to consideration reflecting opening and closing payables relating to settlement timing. The number of shares cancelled during the period was 27,779,906, with the difference to shares repurchased reflecting the timing of transfers to the registrar for cancellation. The Group intends to carry out further share buybacks of up to £65m in FY27, through two programmes of up to £32.5m in each of H1 and H2.

Share purchases by the EBT are in addition to the Group's share buyback programmes. In FY26, the EBT purchased 2,708,481 shares for aggregate consideration of £5.8m, including stamp duty and expenses. Since the start of the new financial year, the EBT has purchased a further 1,996,871 shares for aggregate consideration of £4.3m. These purchases were intended to cover all anticipated exercises of employee share options across calendar years 2025 and 2026 under discretionary and non-discretionary schemes. The Group intends to continue settling obligations under employee share plans using market-purchased shares, subject to prevailing share prices.

## Distributable reserves

As at 30 April 2026, the Company balance sheet held distributable reserves of £490.5m (April 2025: £558.5m), comprising retained earnings and the share-based payments reserve. The Company's ability to distribute capital depends on parent company reserves rather than consolidated reserves.

Whilst the consolidated balance sheet shows net liabilities, a key factor contributing to this is the £993.0m merger reserve – a debit balance in equity arising from the pre-IPO reorganisation, accounted for under common control merger accounting. Under this method, the assets and liabilities of the acquired entities were recognised at their existing carrying amounts rather than at fair value and no goodwill was recognised. The difference between the consideration paid and the book value of net assets acquired was recorded directly in equity within the merger reserve.

This accounting treatment was selected in preference to acquisition accounting in order to reflect the continuity of ownership and to present the Group's financial results on a basis that preserved the historical track record of the underlying trading entities. Had acquisition accounting been applied, the identifiable net assets would have been remeasured at fair value and a significant goodwill asset would likely have been recognised, increasing net assets and potentially resulting in the Group reporting positive net assets. However, such treatment would not have reflected the substance of a restructuring within a commonly controlled group.

## Chief Financial Officer's review continued

### Outlook for FY27

Since the start of the year, trading across the Group has been in line with expectations. Our expectations for FY27 remain unchanged.

### Consistent financial framework

Our goal is to deliver sustainable, high-quality growth supported by strong returns and consistent capital allocation. We are targeting mid-to-high single digit percentage annual revenue growth and an Adjusted EBITDA margin of 25% to 27%. We aim to deliver double-digit percentage growth in Adjusted earnings per share alongside continued returns of excess capital to shareholders.

### Technical guidance

<b>Share-based payment expenses</b>	<p>Share-based payment expenses in FY26 reflect approximately £2.8m of lower costs arising from the resignation of the former CEO, comprising £1.7m of expense that would otherwise have been recognised in FY26 and the release of £1.1m accrued over the two preceding financial years.</p> <p>In FY27, we expect share-based payment expenses relating to CEO remuneration to return to more typical levels, reflecting the incoming CEO buyout arrangements. As a result, we expect the overall charge to increase. Share-based payment expenses remain inherently sensitive to assumptions and may vary, including based on the outcome of non-market performance conditions.</p>
<b>Depreciation and amortisation</b>	<p>We expect depreciation and amortisation to be between £18m and £20m in FY27. This includes the depreciation of tangible fixed assets (including right-of-use assets) and amortisation of internally generated intangible assets. It excludes amortisation of acquisition-related intangible assets.</p>
<b>Adjusting Items</b>	<p>Amortisation of acquisition-related intangible assets is treated as an Adjusting Item. Based on the estimated useful lives of trademarks and customer lists arising on business combinations, we expect acquisition amortisation to be approximately £6.5m in FY27, £6.3m in FY28 and £5.7m in FY29.</p>
<b>Net finance costs</b>	<p>We expect net finance costs to increase in FY27, reflecting the higher reference interest rates indicated by SONIA forward curves and additional drawdown on our borrowing facilities in line with growth in Adjusted EBITDA to maintain net leverage at approximately 1.0x.</p>
<b>Taxation</b>	<p>We expect an effective tax rate of between 25% and 26% of reported profit before taxation in FY27 and thereafter. The adjusted taxation charge excludes credits relating to the unwind of deferred tax liabilities recognised on acquisition-related intangible assets, consistent with the treatment of the related acquisition amortisation.</p>
<b>Capital expenditure</b>	<p>Our target for tangible and intangible capital expenditure remains approximately 4% to 5% of revenue, with FY27 expected to sit in the lower half of this range. Within this we expect continued investment in tangible fixed assets as we further develop our operations and fulfilment capabilities, reflecting the strategic importance of these areas to the Group.</p>
<b>Working capital</b>	<p>We expect the Experiences merchant accrual to vary broadly in line with trading performance in the segment. Other working capital balances are expected to reflect overall Group revenue growth trends.</p>
<b>Net leverage</b>	<p>We expect IFRS 16 net leverage to be approximately 1.0x as at 30 April 2027, calculated as the ratio of Net Debt (calculated on an IFRS 16 basis, including lease liabilities) to last twelve months' Adjusted EBITDA. Net debt is expected to be modestly higher at 31 October 2026, reflecting the second-half weighting of Free Cash Flow and the distribution of capital returns across the year. The Group targets net leverage of around 1.0x. We retain the flexibility to move beyond this where required.</p>

**Andy MacKinnon**

Chief Financial Officer

24 June 2026